

# HEAL 2018 Pre-Budget Submission

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## SUMMARY

HEAL (Organizations for Health Action) is a coalition of 40 national health and consumer associations and organizations dedicated to protecting and strengthening Canada's health care system. It represents more than 650,000 providers and consumers of health care.

HEAL addresses its 2018 pre-budget submission to the first of the federal government's questions to Canadians:

***What federal measures would help Canadians to be more productive? For example, what education and training, health, housing and labour market participation and mobility measures would help Canadians to be as productive as possible in their workplaces and their communities?***

Mental health impacts the productivity and success of businesses and poses significant cost to the economy. Mental illness accounts for about 15% of all diseases in Canada yet it is the number one cause of disability in this country.<sup>i</sup> The economic costs of mental illness in Canada are approximately \$50 billion per year and the cost of productivity loss due to mental health and addictions is \$20 billion<sup>ii</sup>.

The health of Canada's workplace depends in no small measure on the mental health of its employees. While Canada has made strides in recognizing the gaps Canadians face in accessing mental health services and supports, it is now time to redress these gaps by delivering the services and supports Canadians need.

## INTRODUCTION

HEAL has developed a consensus statement, which is the result of more than two years of research, review and reflection among Canadian health leaders and the organizations they represent. This statement, ***The Canadian Way: Accelerating Innovation and Improving Health System Performance (Canadian Way)***<sup>iii</sup> includes recommendations to encourage collaboration between governments and providers, while proposing new accountability and performance measures, and other targeted and strategic investments that would improve overall health system effectiveness. These recommendations, concerned with the health and well-being of Canadians, are critical ingredients to making Canada a top performing country.

## CONTEXT

Governments and employers have turned their attention to workplace productivity and safety. New regulations, subsidy programs, and economic strategies have aimed to move our economy forward. While health and safety committees have implemented needed safety regulation, experience has shown that more needs to be done to specifically address mental health in the workplace.

The Mental Health Commission of Canada (MHCC) has developed its Psychological Health and Safety in the Workplace Standard<sup>iv</sup> which addresses mental health and wellbeing for everyone in the workplace. Many working Canadians will develop mental health problems and disorders for which they will need help and some of Canada's large employers have made commitments to providing better coverage for psychological services for their employees who need it (e.g. Canada's Treasury Board, Starbucks, Manulife).

According to the Organization for Economic Cooperation and Development (OECD):

*“Mental ill health exacts a high price – on individuals, employers, and the economy. Apart from the distress they suffer individually, people with mental health problems also suffer economically through lower employment, higher unemployment and a high risk of poverty. Employers struggle with significant losses in productivity at work and high rates of sickness absence. And the economy at large bears the costs in the form of elevated social and health care expenditures.”<sup>v</sup>*

The impact of mental health and illness on the success of the workplace and economies is a well-accepted fact that transcends national borders. Canada has begun to recognize the importance of mental health and well-being to its success but more needs to be done; more to keep its populations mentally healthy and more to offer them evidence-based mental health care when they are ill.

## MENTAL HEALTH & ADDICTIONS

Canada, like many first world countries, has introduced policies and programs to de-institutionalize mental health care. Unfortunately, unlike some of these countries, it hasn't sufficiently resourced the delivery of care in communities. When it comes to mental illness, this means that first order interventions (i.e. medications and psychotherapies) are often uncovered by public health insurance plans. This is because medications are uncovered outside of hospital settings since we have no pharmacare program and psychotherapies are commonly delivered by regulated mental health providers. These are not physicians and hence their services are not covered by public health insurance.

Approximately 24 million<sup>vi</sup> Canadians rely on extended health insurance provided through employment to access medications and psychological interventions and psychotherapies. Canada's employers are slowly realizing the importance of mental health to their success and, as mentioned, many are increasing extended health coverage for their employees so that, if they need it, employees can access clinically meaningful psychological interventions and psychotherapies.

Canada's health ministers recognize that mental health has been the poor cousin of health investments<sup>vii</sup>. According to data collected by the Canadian Mental Health Association:

*"The increase in federal transfers to the provinces for health services since 2004 have not been spent on mental health. The 2014 per capita health spend in Canada was \$6,045 (CIHI), while the per capita spending on mental health is \$423 (or 7%)."*<sup>viii</sup>

It is also important to highlight the unique needs of Indigenous populations for mental health and addiction services.

In 2016, the federal government recognized the gap in access to mental health services and supports and offered provinces \$5 billion over 10 years, targeted for mental health. HEAL believes that redressing mental health gaps requires investments into services but also into supports. The onset and trajectory of mental illness depends in no small measure on social determinants of health. Tax measures that provide basic income support and redress poverty will go a long way to maximizing the lives and contributions of those living with mental illness.

Mental health and addictions are not siloed issues or conditions independent of health more broadly. Many mental health problems and disorders are concomitant with physical disorders, particularly chronic and recurrent conditions. Canada's health depends on its mental and physical health and well-being. As clearly articulated in the **Canadian Way**<sup>ix</sup>, HEAL believes that it is reasonable for the federal government to provide a stable proportion of health funding that stands at no less than 25% of total provincial and territorial spending on health services. In other words, one out of every four dollars spent on health care by the provinces and territories should come from the federal government. Based on the most recent publicly available information, the current formula stands at 22.8%.

Federal funding for both health care and social services is the bedrock upon which we can build and sustain our future success as a nation. The federal government's commitment to a stable CHT is an investment in the continued economic prosperity of Canada. Improved health within the population and more cost-effective health care can net considerable savings over the medium- to longer-term.

## THE ECONOMY

Mental health is the leading source of disability in the workplace in Canada. If the OECD estimates that the cost of mental health can reach up to 4% of GDP depending on the country, it is argued that in Canada the cost of doing nothing more for mental health would be \$50 billion a year with \$20 billion in lost productivity alone.

Over the last few years the OECD published reports linking mental health to work. Its latest report, ***Fit Mind, Fit Job (From Evidence to Practice in Mental Health and Work)***<sup>x</sup> concluded:

*“Despite growing recognition of the issue in society, considerable social stigma around mental ill health remains. Intervening early is critical, yet in practice it can often take more than ten years between the onset of illness and the first treatment in most countries.*

*This is worrying, says the OECD, as under-treatment rates are highest among young people and waiting times for counselling are longest. Any action taken in school or the workplace will have a better, more lasting impact than waiting until people have dropped out of education or the labour market. While a heavy workload and work-related stress may add to mental health problems, the evidence shows that staying in school or at work is also part of the solution if appropriate support is provided.*

*The mismatch between the needs of people suffering from mental ill health and the services provided to them is one of the biggest problems, according to the report. Current policies are often delivered in silos by health, employment and education services. Creating an integrated system would deliver much better, faster outcomes.”*

The costs on the economy of not supporting mental health and of not treating mental illness are far greater than the costs of doing so. HEAL echoes the Canadian Alliance of Mental Health and Mental Illness on this point:

*“Five hundred thousand Canadians, in any given week, are unable to work due to mental illness<sup>xi</sup>. The private sector spends between \$180 and \$300 billion on short-term disability for mental illness and \$135 billion for long term disability<sup>xii</sup>.*

*Productive workplaces and societies make strategic investments in the resources upon which their successes rely. Human Resources are key to the success of any business and the success and productivity of workers depends on their health and well-being.*<sup>xxiii</sup>

## RECOMMENDATIONS

There is consensus in Canada and around the world that the health of countries, economies and workplaces depends on the health and well-being of their citizens. The impact of mental illness and addictions on the lives of individuals and the successes of the workplace are also widely known.

While strides have been made in Canada to recognize the needs and gaps related to mental health services and supports, more must be done to support mental wellness and make treatment of mental illness accessible to those who need it.

The Standing Committee on Finance (FINA) has an opportunity to augment and support the work of the federal ministry of health to increase support for the social determinants of health and to target funds to redress the significant gaps Canadians face in accessing evidence based mental health care.

HEAL recommends the federal government:

1. commit to a 25% federal share of provincial and territorial health spending.
2. play a leadership role to ensure that all Canadians have access to safe and effective prescription drugs without suffering unnecessary financial hardship.
3. collaborate with the provinces and territories to target resources to specific outcome-based provincial and territorial programs to improve access to evidence-based, inter-professional mental health services and community supports.
4. build on existing tax mechanisms to develop a universal basic income to support all Canadians.

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<sup>i</sup> Royal Bank. <http://www.rbcinsurance.com/disability-awareness/causes-of-disability.html> ; Centre for Addiction and Mental Health.

[http://www.camh.ca/en/hospital/about\\_camh/newsroom/for\\_reporters/Pages/addictionmentalhealthstatistics.aspx](http://www.camh.ca/en/hospital/about_camh/newsroom/for_reporters/Pages/addictionmentalhealthstatistics.aspx) Public Health Agency of Canada <https://www.canada.ca/en/public-health/services/publications/diseases-conditions/report-canadian-chronic-disease-surveillance-system-mental-illness-canada-2015.html> ; UFCW Canada [http://www.ufcw.ca/index.php?option=com\\_content&view=article&id=3710:en-chiffres-journee-mondiale-de-la-sante-mentale-au-canada&catid=373&Itemid=6&lang=en](http://www.ufcw.ca/index.php?option=com_content&view=article&id=3710:en-chiffres-journee-mondiale-de-la-sante-mentale-au-canada&catid=373&Itemid=6&lang=en)

<sup>ii</sup> Canadian Psychological Association. *An Imperative for Change. Access to Psychological Services for Canada*. March, 2013

<sup>iii</sup> <http://www.healthactionlobby.ca/publications/reports/217-the-canadian-way-accelerating-innovation-and-improving-health-system-performance.html>

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[https://www.mentalhealthcommission.ca/sites/default/files/Workforce\\_National\\_Standard\\_of\\_Canada\\_for\\_Psychological\\_Health\\_and\\_Safety\\_in\\_the\\_Workplace\\_ENG\\_0\\_1.pdf](https://www.mentalhealthcommission.ca/sites/default/files/Workforce_National_Standard_of_Canada_for_Psychological_Health_and_Safety_in_the_Workplace_ENG_0_1.pdf)

<sup>v</sup> OECD (2015), "Executive summary", in *Fit Mind, Fit Job: From Evidence to Practice in Mental Health and Work*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264228283-3-en>

<sup>vi</sup> CLHIA 2016 Fact Sheet

<sup>vii</sup> Gaetan Barrette, Quebec Minister of Health, June 27 2017

<sup>viii</sup> Canadian Mental Health Association. [http://www.cmha.ca/wp-content/uploads/2015/09/MH\\_Transition\\_Fund-Fact\\_Sheet-FINAL-updated.pdf](http://www.cmha.ca/wp-content/uploads/2015/09/MH_Transition_Fund-Fact_Sheet-FINAL-updated.pdf)

<sup>ix</sup> <http://www.healthactionlobby.ca/publications/reports/217-the-canadian-way-accelerating-innovation-and-improving-health-system-performance.html>

<sup>x</sup> <http://www.oecd.org/employment/fit-mind-fit-job-from-evidence-to-practice-in-mental-health-and-work.htm>

<sup>xi</sup> <https://www.mentalhealthcommission.ca/English/focus-areas/mental-health-matters>

<sup>xii</sup> P. Jacobs et al. *The Cost of Mental Health and Substance Abuse Services in Canada: A Report to the Mental Health Commission of Canada*. Institute of Health Economics. 2010.

<sup>xiii</sup> CAMIMH 2018 pre-budget submission